

## Message Text

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ORIGIN OPIC-06

INFO OCT-01 NEA-10 ISO-00 EB-07 L-03 COME-00 /027 R

DRAFTED BY OPIC/ID/MEA:CJBAZARIAN:JMB

APPROVED BY EB/IFD/OIA:RJSMITH

OPIC/ID/DVP:AMKRAMISH

OPIC/GC:AJMARRA

OPIC/GC:EABURTON

EB/IFD/OIA:DHSTEBBING

L/EB:SRBOND

NEA/ARP:JPLYLE

----- 093025

P 102357Z DEC 76

FM SECSTATE WASHDC

TO AMEMBASSY ABU DHABI PRIORITY

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FROM OPIC

E.O. 11652: N/A

TAGS:EINV

SUBJECT: OPIC AGREEMENT ON U.A.E. AND S.J. GROVES & SONS  
REQUEST FOR OPIC INSURANCE

REF: STATE 24168, ABU DHABI 2857

1. AFTER CAREFUL CONSIDERATION, WE HAVE DETERMINED THAT ANY DEVIATION FROM PROFFERED TRADITIONAL BILATERAL WOULD BE TOO TIME CONSUMING BECAUSE OF THE NEED TO GET NEW CIRCULAR 175 AUTHORITY. SUGGEST THAT EMBASSY PRESENT DRAFT AGREEMENT TO APPROPRIATE U.A.E. GOVERNMENT OFFICIAL. IF A MORE LIMITED AGREEMENT IS REQUESTED BY U.A.E. GOVERNMENT, OPIC AND STATE WOULD CONSIDER COUNTER PROPOSAL.

2. S.J. GROVES & SONS OVERSEAS CORPORATION PLANS TO BID ON OR BEFORE 12/15/76, THRU ITS JOINT VENTURE CONSTRUCTION  
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COMPANY AL JA'BER-GROVES COMPANY, LTD., ON A \$75 MILLION

AIRPORT INFRASTRUCTURE PROJECT FOR THE PUBLIC WORKS DEPARTMENT OF ABU DHABI. THE COMPANY WILL SEEK OPIC INSURANCE FOR ITS EXPOSURE UNDER THE CONTRACT AND BANK GUARANTIES FOR PERFORMANCE AND ADVANCED PAYMENT. PRESENT TENDER DOCUMENTS MAKE REFERENCE IN ARTICLE 86 THEREOF TO RULES RE BOYCOTT OF ISRAEL. CONTRACTOR WILL CONSIDER BIDDING ON CONTRACT WITHOUT TAKING EXCEPTION TO ARTICLE 86 PROVIDED IT CAN BE ASSURED THAT SAID ARTICLE CAN BE NEGOTI-

ATED OUT OF FINAL CONDITIONS OF CONTRACT. JACK R. KOHNKE, V.P. OF GROVES AND PAUL WALROD, IS PRESENTLY IN ABU DHABI AND MAY BE REACHED THRU OFFICES OF AL-JA'BER COMPANY. REQUEST THAT EMBASSY MEET WITH KOHNKE TO DISCUSS HOW GROVES MIGHT RECEIVE ASSURANCES FROM ABU DHABI GOVERNMENT THAT BOYCOTT PROVISION WILL BE STRUCK FROM FINAL CONTRACT IF UNCONDITIONAL BID IS TENDERED ON OR BEFORE 12/15/76. REQUEST EMBASSY ASSISTANCE IN DISCUSSIONS WITH GOVERNMENT. IN LIGHT OF 12/15/76 BID DATE, TIME IS OF THE ESSENCE.

3. FOR INFORMATION OF EMB. OPIC WILL NOT INSURE ANY CONSTRUCTION PROJECT IF UNDERLYING DOCUMENTS CONTAIN BOYCOTT PROVISIONS. THUS, UNLESS GROVES CAN GET DELETION OF BOYCOTT LANGUAGE FROM FINAL CONTRACT, IT WILL BE INELIGIBLE FOR OPIC INSURANCE.

4. PLEASE INFORM OPIC REGARDING THE U.A.E. GOVERNMENT RESPONSE OR COUNTER PROPOSAL TO THE BILATERAL. ROBINSON

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN INVESTMENT, INVESTMENT GUARANTEES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 DEC 1976  
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**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** greeneet  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976STATE301188  
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**Document Unique ID:** 00  
**Drafter:** CJBZARIAN:JMB  
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